



VISION

ALASKA INDIVIDUALS, FAMILIES AND COMMUNITIES ARE SAFE AND HEALTHY

MISSION

TO PROMOTE AND PROTECT THE HEALTH AND WELL-BEING OF ALASKANS

Health Care Commission

Healthy Alaska Plan

February 26, 2015

Reform is Necessary

Reform is necessary

- State of the Budget Address
 - Identify 25% cuts over the next several years
- Minimize the impact to those we serve
- Efficiencies, Improvements and Innovations are critical to bend the cost curve

DHSS Budget = \$2.7B

- Medicaid = \$1.7B

The current Medicaid program is not sustainable



Building on Reforms Underway

- Control overutilization of hospital emergency room services
- Increased fraud and abuse prevention and control efforts
- Activities to reduce waste
- Home and community-based service improvements
- Coordination with Patient-Centered Medical Home initiatives
- Coordination with the Alaska tribal health system
- Investigating waiver options



Catalyst for Reform

Additional Reforms

Recently identified reforms:

- Change eligibility for Personal Care Assistance (PCA) services
- Possible savings in Durable Medical Equipment, Vision, and Hearing
- Increase number in the Super Utilizer contract for management of care
- Dental
- Implement utilization control for Behavioral Health services
- Ground Transportation



Catalyst for Reform

Designing Reform

- Funding from the Alaska Mental Health Trust Authority
 - RFP to be released this week
- Technical Assistance for Reform
 - Reform efforts in other states
 - Stakeholder process
 - Building an Alaskan Model
 - Identifying the approval process
 - Regulation, Statutory, Budgetary, State Plan Amendments, waivers



Catalyst for Reform

Timeline for Reform

- February 25, 2015: RFP released
- March 18, 2015: Deadline for Proposal Submission
- April 15 – May 15, 2015: DHSS Meetings with Contractor
 - Details on the Alaska Medicaid Program; Identifying stakeholders; meeting process
- May 2015: Meetings with Stakeholders
 - Schedule for ongoing stakeholder meetings to be determined by stakeholders and contractor
 - Developing recommendations for reform
- January 31, 2016: DHSS Report presented to the public & Legislature
 - Including initial proposed reforms



Additional Reform Options

Building blocks to achieving meaningful reform:

- Payment Reform
- Strengthened Primary Care
- Care Management
- Workforce Innovation
- Maximizing federal matching fund opportunities
- Improved Telehealth Capability



Additional Reform Options

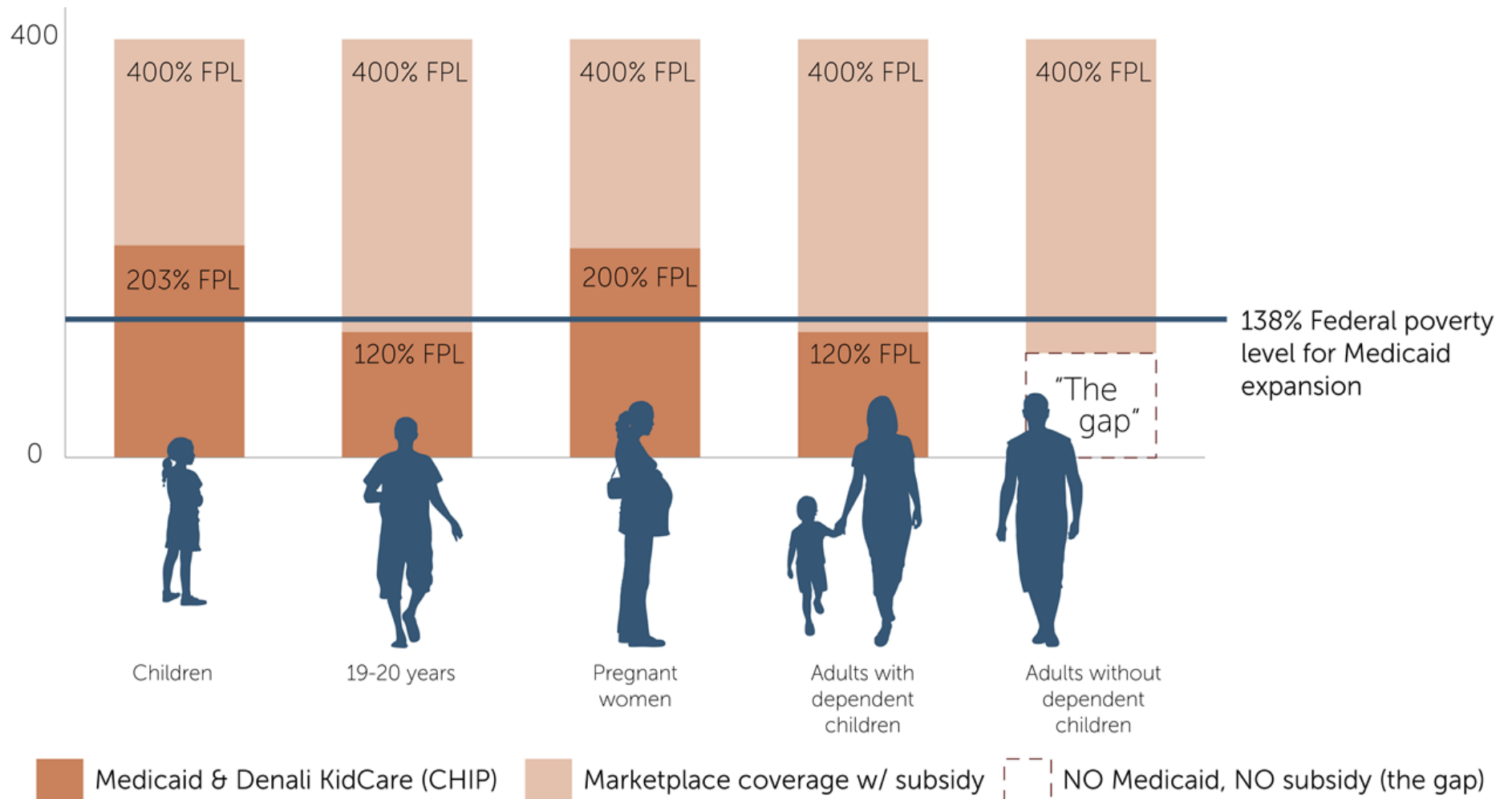
Reform strategies for increasing prevention and shared responsibility

- Cost-sharing options
- Health Savings Accounts (HSAs)
- Services to direct patients to the appropriate level of care
- Incentives for healthy behaviors
- Increased access to preventative services
- Work assistance benefits for the expansion group



Healthy Alaskans

Who is covered now?



Medicaid Expansion

Higher Federal Match

- An immediate economic boost

Reducing Uncompensated Care by reducing the number of uninsured

- Nearly \$92M in 2013 (non-tribal hospitals only)

Opportunities for reform and waivers

- Reduce the cost of the Medicaid program

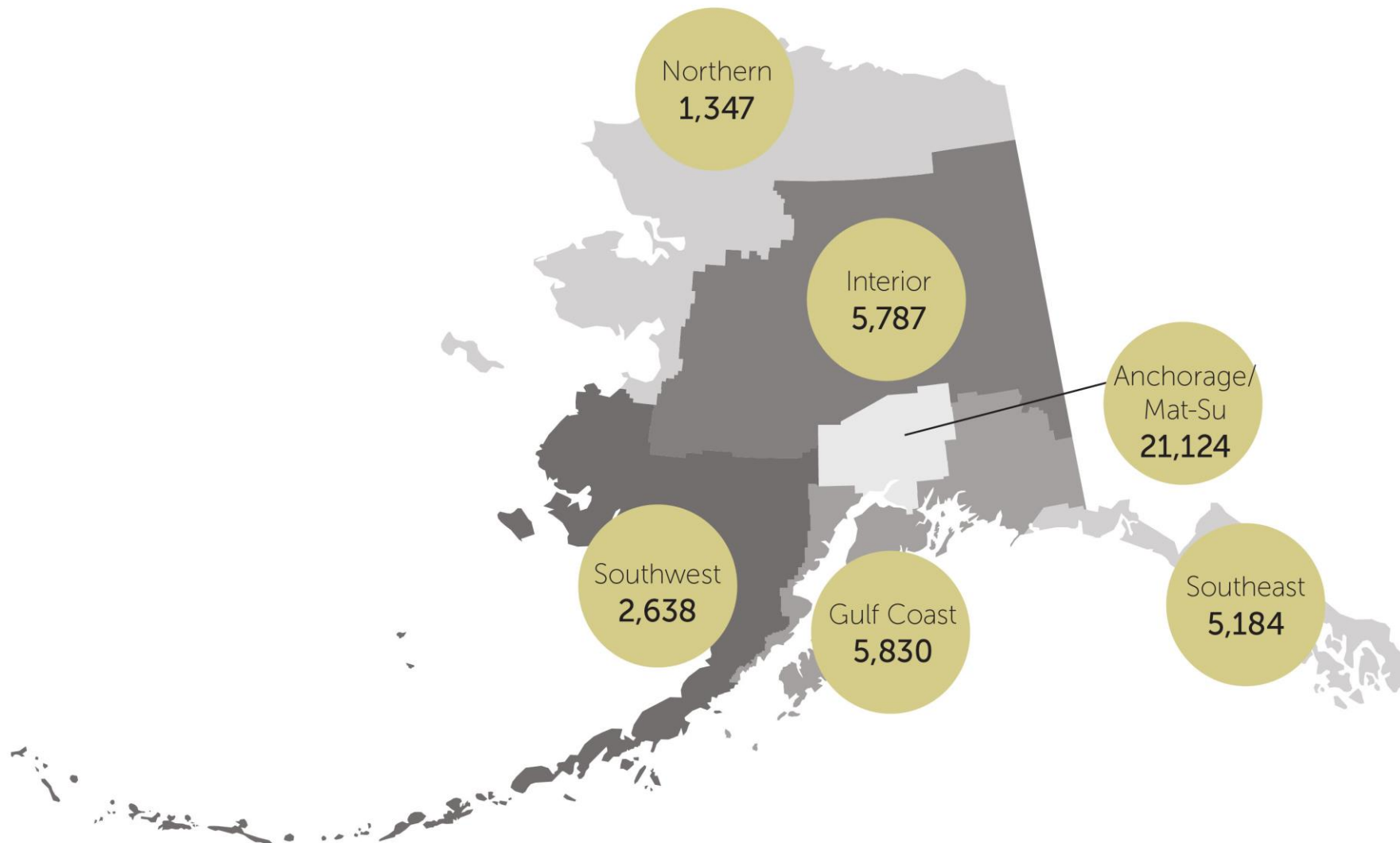


Who would be covered by Expansion?

- Adults without dependent children
- Ages 19 – 64
 - Not otherwise eligible for Medicaid or Medicare
- Earning up to 138% of the Federal Poverty Level (FPL)
 - Single adults earning up to \$20,314 per year
 - Married couples earning up to \$27,490 per year

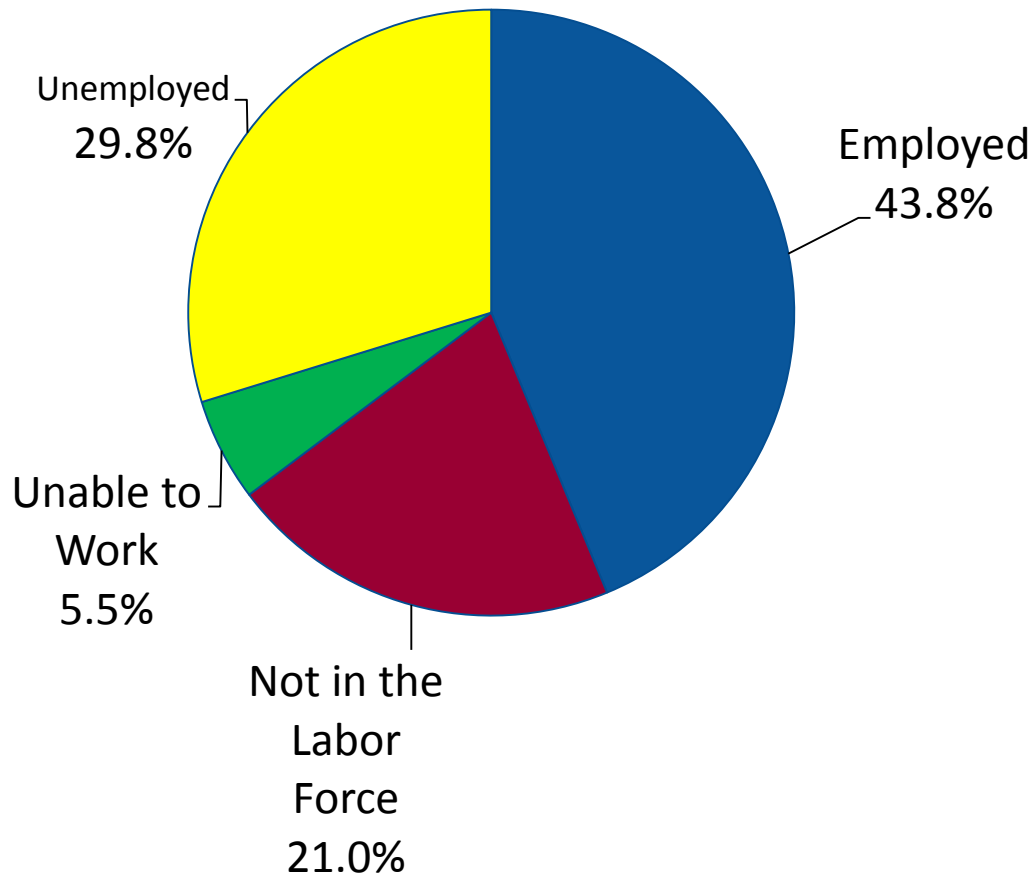


Healthy Alaskans



The Expansion Population

Employment Status of Alaska's Medicaid Expansion Population



Health Coverage	Percent of Responses
None	43.3%
Employer	19.6%
Purchased	4.3%
Partial Coverage*	29.3%
Not Sure, Don't Know, Refused	3.4%

Source: Analysis by Evergreen Economics of data from the BRFSS survey

*Partial coverage includes healthcare services provided by tribal health facilities and possibly other sources.



How many will sign up?

	2016	2017	2018	2019	2020	2021
Newly Eligible Adults	41,910	41,980	42,050	42,120	42,190	42,260
Take-up Rate	47.90%	55.40%	63%	63%	63%	63%
New Enrollees	20,066	23,273	26,492	26,535	26,580	26,623



Healthy Alaskans

Cost Per Enrollee

Projected Cost of Service Per Newly Eligible Medicaid Enrollee
(Weighted by Expected Gender and Age Distribution of the Expansion Population)

	2016	2017	2018	2019	2020	2021
Per Enrollee Cost	\$7,248	\$7,495	\$7,752	\$8,018	\$8,293	\$8,433

Estimated Distribution of Expansion Group With Respect to
Gender and Age

Gender	Ages 19-34	Ages 35-44	Ages 45-54	Ages 55-64	All Ages
Male	20.1%	5.2%	13.6%	14.4%	54%
Female	12.6%	5.8%	13.8%	14.5%	46%
Total	32.7%	11.0%	27.4%	28.9%	100%



Healthy Alaskans

Reducing Recidivism

2015 Recidivism Reduction Plan

http://www.legis.state.ak.us/basis/get_documents.asp?session=29&docid=1372

- Alaska Judicial Council reported that convicted felons who completed an ADOC substance program, 12% recidivated compared to the control group in which 20% recidivated within 12 months of being released from custody
- UAA Institute of Social and Economic Research (ISER) issued a report:
 - With no change in policies, the number of Alaska inmates is likely to double by 2030, from 5,300 to 10,500
 - If the state spent an additional \$4 million a year to expand the education and substance abuse programs it already had, the prison population in 2030 might be 10% smaller than projected – about 1,050 fewer inmates



Healthy Alaskans

Improving Health

Access to health care means improved health outcomes and increased productivity and independence

- The number of uninsured Alaskans would be reduced by half
- More Alaskans would receive preventative and primary care, including behavioral health services and help in managing costly chronic diseases
- Alaska's statewide mortality rate would drop
- Health care access for survivors of domestic violence and sexual assault
- Access to health care is already showing a positive difference for the homeless population in other states
 - Improving capability to gain employment



Healthy Economy

New Federal Dollars

- Higher Federal Contribution under Expansion

	2014	2015	2016	2017	2018	2019	2020 & Beyond
FMAP under Expansion	100%	100%	100%	95%	94%	93%	90%

- \$1.12B from FY2016 – FY2021

	2016	2017	2018	2019	2020	2021
Federal Match*	\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* Costs in Thousands of Dollars



Annual State Spending on Expansion

		2016	2017	2018	2019	2020	2021
C O S T S	State Match for Health Care Costs	\$0	\$3,804.0	\$9,854.0	\$12,064.0	\$16,346.0	\$19,587.0
	Administrative Costs for Medicaid expansion (State General Fund)	\$0*	\$1,392.0	\$1,478.0	\$1,499.0	\$1,600.0	\$1,625.0
State Costs:		\$0	\$5,196.0	\$11,332.0	\$13,563.0	\$17,946.0	\$21,212.0
O F F S E T S	Chronic & Acute Medical Assistance (CAMA)	\$1,000.0	\$1,300.0	\$1,400.0	\$1,500.0	\$1,500.0	\$1,500.0
	Corrections	\$4,100.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0	\$7,000.0
	Behavioral Health Grants	\$1,500.0	\$5,000.0	\$9,000.0	\$13,000.0	\$16,000.0	\$16,000.0
State Offsets		\$6,600.0	\$13,300.0	\$17,400.0	\$21,500.0	\$24,500.0	\$24,500.0
Net Savings to State GF		(\$6,600.0)	(\$8,104.0)	(\$6,068.0)	(\$7,937.0)	(\$6,554.0)	(\$3,288.0)
Federal Match		\$145,435.0	\$170,633.0	\$195,514.0	\$200,683.0	\$204,087.0	\$204,928.0

* FY16 Administrative Cost is being funded by the Alaska Mental Health Trust Authority



Healthy Economy Impact to the Economy



40,000

uninsured

ALASKANS

will be eligible for basic
health care coverage



\$1.1

BILLION

in new federal
revenue for Alaska



4,000

new

JOBS



\$1.2

BILLION

more in wages
and salaries
paid to Alaskans



Questions?

Thank You!

Monique Martin

Health Care Policy Advisor

monique.martin@alaska.gov

907-465-3228

